

Report on Bachelor / Master Thesis

Institute of Economic Studies, Faculty of Social Sciences, Charles University

Student:	Timur Bahodirovich Barotov
Advisor:	Vilém Semerák, Ph.D.
Title of the thesis:	Analysis of the effects of EU membership on trade flows of member countries. Implications for new members and for attempts to leave the EU

OVERALL ASSESSMENT (provided in English, Czech, or Slovak):

Contribution

In this thesis, the author estimates whether countries benefit from joining the European Union in terms of their international trade. To do so, the thesis uses a gravity model with a standard specification and employs relevant data that are usually used for these purposes. The thesis provides a relatively deep description of the potential issues in this type of studies and of the theoretical reasoning behind the hypotheses that are tested.

That said, in my opinion, the empirical analysis itself takes less space in the entire thesis than it should. The results are first mentioned on page 45. This should be much sooner – the results should be mentioned already in the introduction and the results and the methodology should be referred to throughout chapters 2-4.

This brings me to my main criticism of the thesis: that the actual results of the thesis are practically separate from the literature review and the theoretical discussion. This means that the contribution of the thesis is unclear. How does the thesis differ from previous studies – methodologically and results-wise?

The contribution is especially important to explicitly establish in a thesis like this which aims to answer a very general question that has already been convincingly answered many times in the academic literature. For example, as the author himself states on p. 26: "...numerous papers found Viner's trade creation and diversion effects to be significant ... economically, there seems to be little dispute on whether or not is FTA trade improving." If this is the case, why is the author researching this question? What is he doing better than other studies? Which studies is this thesis closest to and how exactly does it differ from these studies? Does this thesis improve over the existing research in some of the issues outlined in section 5.2.1?

Methods

I do not have strong methodological objections to the way the author employs the gravity model. He uses relevant data and the results are interpreted clearly and correctly. However, during the defense, it would be good to hear the author explain how exactly his methodology deals with the "most common mistakes" outlined in section 5.2.1. Importantly, I am not convinced that the gravity model methodology takes proper care of the simultaneity issue. This is important for the author's research question as there is an ongoing debate on the effects of political and economic integration and which of them has a more positive effect on the other. A deeper discussion of this debate would have been welcome in the thesis.

Literature

While I am not an expert on the literature regarding the effects of integration on trade, the literature review seems relatively comprehensive. However, as I already report above, I am very much missing a clear link between the existing literature and the present study, which makes it difficult to assess the contribution of the thesis over the existing research on this topic.

Manuscript form

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Overall, I believe that the thesis is relatively well-structured and it is clear that the author has put a lot of work into it. All three figures in the thesis are taken from other resources and I believe that more could have been done in that area. For example, it would be good to see a visualization of the development of the EU's network of PTAs over time (and not only globally as done in Figure 3.3).

Summary and suggested questions for the discussion during the defense

In my view, the thesis fulfills the requirements for a bachelor thesis at IES, Faculty of Social Sciences, Charles University, I recommend it for the defense and suggest a grade C.

The results of the Urkund analysis do not indicate significant text similarity with other available sources.

SUMMARY OF POINTS AWARDED (for details, see below):

CATEGORY	POINTS
<i>Contribution</i> (max. 30 points)	20
<i>Methods</i> (max. 30 points)	25
<i>Literature</i> (max. 20 points)	16
<i>Manuscript Form</i> (max. 20 points)	16
TOTAL POINTS (max. 100 points)	77
GRADE (A – B – C – D – E – F)	C

NAME OF THE REFEREE: PhDr. Miroslav Palanský, M.A.

DATE OF EVALUATION: August 31, 2020

Referee Signature

EXPLANATION OF CATEGORIES AND SCALE:

CONTRIBUTION: *The author presents original ideas on the topic demonstrating critical thinking and ability to draw conclusions based on the knowledge of relevant theory and empirics. There is a distinct value added of the thesis.*

METHODS: *The tools used are relevant to the research question being investigated, and adequate to the author's level of studies. The thesis topic is comprehensively analyzed.*

LITERATURE REVIEW: *The thesis demonstrates author's full understanding and command of recent literature. The author quotes relevant literature in a proper way.*

MANUSCRIPT FORM: *The thesis is well structured. The student uses appropriate language and style, including academic format for graphs and tables. The text effectively refers to graphs and tables and disposes with a complete bibliography.*

Overall grading:

TOTAL	GRADE
91 – 100	A
81 - 90	B
71 - 80	C
61 – 70	D
51 – 60	E
0 – 50	F